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Seeking solutions for a fairer cocoa industry



Tackling major concerns over child labour and gender inequality, and an urgent need for greater overall support for farming communities formed some of the key themes of this year's World Cocoa Conference. Neill Barston reports from Berlin.

A powerful and poignant message to the industry was delivered by a group of young people at this year's World Cocoa Conference, who took to its main stage baring a banner declaring "Stop child labour".

The SchokoFair campaign, which was created by pupils from the Maria Montessori Comprehensive School in Dusseldorf, saw students express their major concerns on the issue.

They spoke at the event staged by the International Cocoa Organization (ICCO), on the urgent need to tackle the issue of 2.1 million children being used as labour within the cocoa industry in Ghana and Ivory coast alone.

The ongoing crisis was also raised by Antonie Fountain, co-author of the 2018 Cocoa Barometer report on cocoa production in Ghana and the Ivory Coast. During a conference debate on the future of the industry, the expert said 'complete change' was required within the industry in its approach to solving major issues across its supply chains.

His concerns were shared by Nicko Debenham, Barry Callebaut's vice president of global cocoa sustainability, who said steps also needed to be taken to address over-supply within the industry, through delivering greater overall support to farming communities.

However, according to the cocoa barometer study's conclusions, no company or government had come close to reaching a goal of eliminating child labour, or targets of reducing it by 70% by 2020.

With the situation gaining worldwide media focus, this unresolved crisis was highlighted as one of the cornerstones of the conference held last month in Berlin.

The event attracted 1,500 delegates representing 65 countries, governments, and industry, including global confectionery brands such as Mars Wrigley confectionery, Mondelēz International and Barry Callebaut, who shared progress on their respective programmes to assist farming communities.

Dr Jean-Marc Anga, executive of director of the International Cocoa Organization (ICCO), led on another core theme of action required to enable cocoa farmers to survive with a living wage, supported by a sustainable industry.

"Business as usual in the cocoa sector is no longer an option. We have to break the mould," warned the director, who called for a greater portion of the billions in profits from the cocoa industry to be returned to farming communities.

His concerns were echoed by Souleymane Diarrasouba, minister for trade for the Ivory Coast. He revealed the plight of cocoa growing communities as they face the price of coco has continued to drop dramatically.

As of March 2018, it was trading at a reported figure of \$2,500 dollars per tonne, compared to a figure of over \$3,000 just two years ago. This has placed many farmers significantly below the UN definition of poverty – which is given as earning of 1,97 per day, with many earning only half that figure.

The issue has been compounded by latest production figures, with latest results showing that cocoa output in the Ivory Coast has risen from 1.6 million tonnes a decade ago, to 2 million tonnes in 2016/2017 due to higher yields – which has not been met by a corresponding rise in consumer demands.

Consequently, it has been reported that the Ivory Coast's Cocoa and Coffee council is to suspend distribution of hybrid seedlings that have previously helped boost yields for 2018/19 in a bid to reduce production volumes.

"We need a new vision for the cocoa sector – our concern is that we are highly dependent on price volatility and farmers are suffering from this. We have asked for dialogue on how to battle this volatility – 2014 WCC has launched on this and a lot has been achieved, warned the Ivory Coast's trade minister.

He added: "We have implemented projects, raised the point that we have to consider pricing issue – there are international standards for traceable and sustainable cocoa, but we wonder with only 6% of profits from the cocoa industry reaching farmers, the situation has got out of hand," added the minister who said the country was seeking to establish a resilient economy for its farming community.

He asserted that with Ghana and the Ivory coast alone making up a figure of 60% of the cocoa market, there would be moves towards greater co-operation between the countries to support those working within the industry.

The minister added that there had also been some notable breakthroughs in terms of tackling child labour – which had been championed by the country's First Lady.

"Children living in rural areas – do have prospects here, but we require tech support which is important for all different initiatives. It's been made easier for foreign investors to invest in our country, and it is our goal to create tools and standards that will bring the cocoa industry to the right path, but it's important to create good prospects for our sector."

Greater action nationally and globally

Speaking on the opening day of the conference, Julia Klöckner, German Federal Minister of Food and Agriculture, addressed the self-imposed responsibility of the Federal Government for sustainability.

She shared the view of many senior industry figures speaking at the event that significant change within the cocoa sector was required to improve the lives of many working within the farming sector in particular.

"We want to support initiatives for sustainable supply chains. The German Initiative on Sustainable Cocoa (Gisco) is a flagship project for sustainability, and we need a clear regulation of what sustainable cocoa is," explained the minister, who stressed the industry needed to be free from child labour.

On sustainability, Frank Mars, board member of Mars, conceded that despite the company's efforts in terms of supporting farming communities, the industry had not done enough and that "failure was no longer an option".

Commenting on how the company had begun to implement advanced research at its sites including its centre for cocoa science in Bahia, Brazil, he believed there were major opportunities that would lead to yields being significantly increased for cocoa growers.

He said: "Over the next ten years, Mars aims to develop even better disease-resistant clones.

"We'll focus on both simple and advanced production methodologies and improved farmer practices with a goal to triple cocoa yields globally.

"This would free up land occupied with unproductive cocoa trees for farmers to grow other crops, including those for their own consumption. "But to achieve this will require all of us in this room to think differently and work harder together; not only on better plant varieties and farming practices and models, but also on pest and disease control."

Presenting at one of the many break-out sessions during the conference, Eric Garnier, of chocolate manufacturer Choba Choba, explained that paying higher premiums for chocolate may not in itself solve the underlying problems facing farming communities.

However, he believed that through working closely with those growing cocoa to put appropriate business plans into place would make a difference.

Garnier said: "We have billions of profits being generated as an industry, but there are still the worst form of child labour and extreme poverty – we need to face this and be honest. Most of the players in the industry are actually trying to take into account sustainability, of finding ways of finding profitability for everyone in the value chain and specifically for the smallholders. That's the highest goal."

Meanwhile, Dario Soto Abril, CEO of Fairtrade, said it was vital that governments work together with industry to ensure that cocoa farming communities are able to sustain themselves.

He said that its own policy had been about delivering a fair price to farmers – paying a minimum of \$2000 per tonne for cocoa, and working with co-operative growing groups.

Empowering women

One of a number of significant elements to the conference was a focus on providing greater support for women working within the cocoa sector.

As the conference heard from a series of speakers, there has traditionally been an imbalance between genders in terms of how women are treated in the industry.

According to Viviane Brou Oussou N’Goran, of Ivory Coast’s Federation of Women Farmers, there was a clear case of ‘women’s voices being ignored within the industry’ which was driven by the fact around only 4 per cent of the country’s land was owned by women.

Furthermore, Margreet Groot, of Mondelez, offered a note of hope that progress was in fact being made in supporting female workers and wider communities through its Cocoa Life Programme.

She said: “When we talk about the issues that communities are facing in cocoa farming communities, it’s not a linear process dealing with them.

“Many matters are down to society and cultural norms there, but we have started our Cocoa Life programme and have been on a journey with it over the past 10 years.

“If our goal is to help farming communities gain a livelihood you have to have specific areas to focus on, and part of that is women having equal access and opportunity within farming.

“There is still a lot to do, but there has been progress and we have initiatives in Ghana where we are helping communities and women to gain access to finance to help them gaining pruning equipment and pesticides, as well as helping farmers with financial literacy.”

Improving cultivation

Beyond providing business plans for cocoa communities, there were also presentations throughout the conference relating to improving farming cultivation techniques.

This included a presentation from PT Koltiva, highlighting considerable opportunities for farming communities to optimise production with web-based systems combined with direct farming evaluation and coaching services.

Companies such as BASF were also present, offering advice on crop management, having developed a number of solutions devised to help maximise vital crop yields through advanced pesticides, fungicides and seed treatments.

Linked to this – there were also speeches expressing concern on major issues such as deforestation, which has occurred as farmers press to recoup their financial losses by using as much farming land as is available.

Among those was Petra Kollmannsberger, of German-based 12 Tree, agroforestry business, who said “Profits will have to be sacrificed if we are to improve things for everyone in the whole cocoa supply chain.”

Conference exhibition

Another highlight of the three-day event was provided with a number of key confectionery businesses exhibiting at the conference.

Speaking to Confectionery Production, Luigi and Giuseppe Turla, of Italian-based GSR, believed that it had proved a worthwhile experience.

"This event is really important, because you hear the voice of cocoa farmers, as well as government, with the event's programme focusing on the complex issues and developments within the industry, in which farmers are working to improve the quality of their products through certification and standardisation," explained Luigi Turla, who felt the conference had shed light on some of the biggest issues facing the cocoa industry as a whole.

His son revealed that the company had back the conference since its creation in 2012, with its core aim of supporting all tiers of the supply chain.

Giuseppe Turla added: "As machinery makers what we are trying to do for the industry is in terms of developing equipment that saves on energy. We have also improved equipment – for example, compared to ten years ago, the same type of machinery that is being made now is capable of double what it was a decade ago – and the cost is more or less the same as it was then.

"We have worked hard on the precise detail of the software and materials that has improved the performance of our machinery to its optimum levels."

Meanwhile Joachim Essig, Buhler's sales director for cocoa, was enthused by the response from industry to this year's event, which he regarded as a key opportunity to meet senior contacts.

He said: "We meet a lot of important people here – factory owners, decision makers, so in a very focused place and time-limit you have a lot of contacts there.

"But the cocoa world is not only processing industry, there's much more that starts from the farm, and if you want to understand the business, you need to have the full picture – we cannot just discuss production. We also need to know what is happening in the origin countries and political developments and what can influence harvesting in terms of climate change or diseases, we need to go what's going on. While such matters may not affect the machine business today – they can have a huge impact in the future," explained the sales manager.

With a host of major issues placed under the microscope, the conference was drawn to a conclusion with the Berlin Declaration.

This message of intent from industry and government outlined a number of key commitments to the industry – that received the full backing of the assembled organisations, including the German Initiative on Sustainable Cocoa (GISCO) led by the country's government and confectionery sector.

Among its core pledges was a recognition that enabling farmers to earn a living wage is critical to the industry's future sustainability.

Its recommendations also included increase efforts to eradicate child labour, and support for women and wider communities in cocoa farming.

In addition, the conference also called for initiatives seeking to protect the environment and deforestation should be robustly enforced by governments – only through such combined efforts could meaningful change be brought about within the industry.